

# OFFER FOR IOWANS

## IDENTIFYING INFORMATION

**Offer Identifier:** H\_297\_010 F

**Offer Name:** Nursing Facility Resident Transition-to-Home Initiative

**This offer is for a:**

- ☒ new activity  
☐ improved existing activity (describe the improvements in your narratives below)  
☐ status quo existing activity

**Result(s) Addressed:**

- Improve the health of Iowans - Reducing the number of Medicaid recipients in nursing facilities.

**Participants in the Offer:** Department of Elder Affairs, Department of Human Services, Area Agencies on Aging

**Person Submitting Offer:** Mark Haverland, Director, Iowa Department of Elder Affairs

**Contact Information:** Iowa Department of Elder Affairs, 200 10<sup>th</sup> St, 3<sup>rd</sup> Fl., Clemens Bldg, Des Moines, Iowa 50309- 3609, Phone 515-242-3333.

## OFFER DESCRIPTION

The goal to ensure that Iowans have access to quality care can only be achieved by creating a health care delivery system that facilitates consumer choice – choice of setting, choice of care-giver, choice in everyday decision-making. Allowing people to live and receive services in the setting of their choice has a direct and immediate impact on maintaining a quality of life that provides stability and security thereby resulting in improved health outcomes.

This initiative is a critical companion to efforts underway to prevent premature institutionalization, specifically the work related to Olmstead and the development of a Universal Assessment. While the fiscal impact of implementation of a Universal Assessment will not be realized in the short term, savings under this an initiative will be immediate. Savings will begin the day the first person is moved out of the facility.

The proposed initiative would provide transition assistance to Medicaid recipients currently living in nursing facilities who could safely move into the community and who would like to do so. The first step in the process would be to identify possible candidates for transition by using existing data sources, most notably client-specific MDS data collected by IFMC for DHS. Additional screening criteria could then be applied to define areas for more concentrated follow-up in selected communities known to have a full array of home and community services (likely to be more urban areas).

Following selection of residents most likely to be able to successfully move out of the facility, Case Management services would be used to create a transition plan that would include availability of community-based services to meet the person's needs, funding options for the resident, and incorporation of friends, family, church or other community resources into the Service Plan. Cli-

ents would then be helped to move back into the community and then assisted on an on-going basis through the Case Management Program for the Frail Elderly.

### **OFFER JUSTIFICATION**

The initiative aligns with a number of the principles and themes that are important to improving the health of Iowans. It is essential to move forward on both stopping the flow of people into facilities (i.e., Universal Assessment) while at the same time reducing the number of Medicaid recipients currently in facilities. Thousands of Iowans are in nursing facilities who do not want to be there and who could be served in a more personal setting such as their own home, the home of a family member or friend, or an apartment. The negative outcomes associated with lack of control over a person's life are exacerbated in an institution where content of care consists most routinely of "empty care" or care that is provided without the essential human connection between caregiver and care recipient.

In addition to improving quality of life, this initiative also speaks to improving the health care system by furthering health care planning, care coordination, physical access to care, and availability of quality health providers. Because Medicaid is the largest single payer of healthcare services, the State has a sizeable financial stake in reducing reliance on institutional care. A program such as the one proposed would allow Iowa to invest in higher value strategies (i.e., serving people where they want to be served) through building local capacity, partnerships, and collaboration among formal and informal support systems.

### **PERFORMANCE MEASUREMENT AND TARGET**

1) An increase in the number of Medicaid nursing home residents who move out of nursing facilities into their home or other community-based setting, 2) related costs and savings to State government from the reduction in Medicaid payment for nursing facility care.

### **PRICE AND REVENUE SOURCE**

**Total Price: \$1,371,000**

<b>Expense Description</b>	<b>Amount of Expense</b>	<b>FTEs</b>
Costs for computer analysis of potential residents, assessments, case management,	\$1,371,000	3.00
<b>Total</b>	<b>\$1,371,000</b>	<b>3.00</b>

<b>Revenue Description</b>	<b>Amount</b>
General Fund or Senior Living Trust	\$1,371,000
<b>Total</b>	<b>\$1,371,000</b>

# OFFER FOR IOWANS

## IDENTIFYING INFORMATION

**Offer Identifier:** H\_297\_014 F

(Duplicate Offer Extended to transform the Economy & Health Buying Teams)

**Offer Name:** Home and Community Based Service Provider Reimbursements – the missing focus for Re-balancing Iowa’s Long Term Care System

**This offer is for a:**

\_\_\_\_\_ new activity

  X   improved existing activity (describe the improvements in your narratives below)

\_\_\_\_\_ status quo existing activity

**Result(s) Addressed:**

- Improve the health of Iowans
- Transform Iowa’s Economy

**Participants in the Offer:** Department of Human Services, Department of Elder Affairs, Area Agencies on Aging, and Home and Community Based Service providers, IDED and others.

**Person Submitting Offer:** Mark Haverland, Director, Iowa Department of Elder Affairs

**Contact Information:** Iowa Department of Elder Affairs, 200 10<sup>th</sup> St, 3<sup>rd</sup> Fl., Clemens Bldg, Des Moines, Iowa 50309- 3609, Phone 515-242-3333.

## OFFER DESCRIPTION

The objectives:

- To addressing a critical but essentially ignored issue related to balancing Iowa’s Long Term Care system (and Medicaid budget), that being inadequate reimbursement to providers of home and community based services under all Medicaid waivers for elderly and disabled Iowans, who would otherwise be eligible for nursing home and related levels of care.
- To emphasizes and encourages the use of home and community based services and choice for elderly and disabled persons in contrast to the current system which and systematically and financially favors nursing home and other institutional care at far greater expense to Iowa taxpayers.
- To increase availability of home and community based services in both rural and urban areas by providing adequate reimbursement.
- To encourage the development of new or expanded businesses opportunities related to the provision of needed home and community based care to elderly and disabled Iowans.

## OFFER JUSTIFICATION

The Iowa Aging network provides monthly reports regarding the number of elderly clients who have specific identified service or health needs, which can’t be met, as well as the reasons why they can’t be met. The data sources include professional interdisciplinary teams that build individualized care plans based on a detailed assessment of social, emotional and physical needs under the Case Management Program for the Frail Elderly (CMPFE). [Note: This program is the gateway for accessing the Medicaid Elderly Waiver in Iowa.] Additionally, the service provider network providing Home and Community Based Services (HCBS) under the Senior Living Program report the identified unmet needs for their clients. The following data represents five sample months out of the last 3 Fiscal years regarding the unmet needs only for Iowa Aging Network. Similar unmet needs are reportedly prevalent with other targeted groups, such as adult and children with disabilities:

Month & Fiscal Year	# Types of Services with Unmet Needs	# Clients Contacts with Unmet Needs	# with No Provider or No Available Funds
December 2001	22	1006	135
July 2002	23	433	96
December 2002	25	543	98
July 2003	27	575	112
December 2003	24	280	76

**The types of service include:** Personal Care, Homemaker, Chore, Home Delivered Meal, Day Care/Adult Day Health, Case Management, Nutrition Counseling, Transportation, Legal Assistance, Home Repair, Health Screening/Well Elderly Clinics/Preventative Health, Respite, Emergency Response System, Mental Health Outreach, Medication Management, Protective Payee Services, Telephone Reassurance, Visiting, Counseling, Assessment/Intervention, Material Aid, and others. Most, but not all are available under the Medicaid state plan.

Providers of these services have received less than a 2% increase, while the nursing home (the institutional side has generally received rate increases each year; with only a couple of exceptions). It is impossible to balance Iowa's system of long-term care when a majority of resources focus on the most restrictive and most costly options. Providers of HCBS are unable to expand existing services without adequate and appropriate remuneration. According to the FY'04 DHS Medicaid B1 report, under Medicaid waivers the average monthly cost per client is less than \$1,125 per month (several waivers, including the elderly have an average cost of around \$500/mth.), while the average cost for the client if in an institutional setting would be \$2,441 per client per month. Service delivery to meet these needs represent not only needed services, but exceptional business opportunities for new or expanding businesses, including the nursing home industry themselves.

A 25% increase in rates paid to providers would provide some equity between home and community based side compared to the institutional side of Iowa's Medicaid and long term case system. Based Fiscal year expenditures reported on the DHS B-1 report under the Brain Injury, Mental Retardation, Aids, Ill and Handicapped, and Elderly waivers, total cost would be approximately  $\$211,925,710 \times 25\% = \$52,981,428$ , only approximately 1/3 of which (\$17,660,476) would be state funds the remainder or \$35,320,952 would be federal Medicaid funds. An immediate return on investment of 200%, plus the business development side and improved services of choice for elderly and disabled Iowans. It is recommended that rates for HCBS services be tied to an inflationary index in the future to allow the state to forecast increased expenditures and to insure providers have adequate incentives to develop services and thus continued access to services by older Iowans'.

### **PERFORMANCE MEASUREMENT AND TARGET**

Increase the availability of needed home and community based services for elderly and disabled Iowans, while building community business development and expansion opportunities.

**PRICE AND REVENUE SOURCE****Total Price: \$52,981,428**

<b>Expense Description</b>	<b>Amount of Expense</b>	<b>FTEs</b>
Cost of Increased Reimbursement providers of home and community based service providers under the Iowa Medicaid waivers	\$52,981,428	0.00
<b>Total</b>	<b>\$52,981,428</b>	<b>0.00</b>

<b>Revenue Description</b>	<b>Amount</b>
General Fund or Senior Living Trust	\$17,660,476
Federal Medicaid Funds	35,320,952
<b>Total</b>	<b>\$52,981,428</b>